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TO RUEHC/SECSTATE WASHDC IMMEDIATE 8785
INFO RUEHAC/AMEMBASSY ASUNCION PRIORITY 6049
RUEHBO/AMEMBASSY BOGOTA PRIORITY 4200
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 4724
RUEHCV/AMEMBASSY CARACAS PRIORITY 3672
RUEHGT/AMEMBASSY GUATEMALA PRIORITY 0342
RUEHLP/AMEMBASSY LA PAZ PRIORITY 5304
RUEHPE/AMEMBASSY LIMA PRIORITY 3439
RUEHMN/AMEMBASSY MONTEVIDEO PRIORITY 6850
RUEHOT/AMEMBASSY OTTAWA PRIORITY 1029
RUEHPU/AMEMBASSY PORT AU PRINCE PRIORITY 0187
RUEHQT/AMEMBASSY QUITO PRIORITY 2206
RUEHSG/AMEMBASSY SANTIAGO PRIORITY 6196
RUEHRG/AMCONSUL RECIFE PRIORITY 6565
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 4272
RUEHSO/AMCONSUL SAO PAULO PRIORITY 9722
RUEKJCS/SECDEF WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 02 BRASILIA 000752

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E.O. 12958: DECL: 01/11/2017

TAGS: [PREL](#) [BR](#)

SUBJECT: BRAZIL: ADDITIONAL INFORMATION ON IRANIAN
PRESENCE AT ARMS SHOW

REF: BRASILIA 705

Classified By: POLITICAL COUNSELOR DENNIS HEARNE. REASONS: 1.4 (B)(D).

¶1. (C) Per reftel, Mission officers have received additional and sometimes conflicting information in recent days on the events surrounding the closing of the Iranian Defense Industries (DIO) stand at the Latin American Air and Defense (LAAD) show in Rio on 16-17 April, following the realization by the Brazilian government and event organizers that the DIO display was in violation of UNSCR 1747 strictures. Specifically, it has been difficult for mission officers to determine the nature of Brazilian government intervention in the affair, i.e., did the Brazilian foreign or defense ministries actually order the closing of the stand directly or engage with the Iranian Government at any time, or stand back and leave the closing of the DIO booth to the show's UK-based events organizing firm, Reed Ltd.?

¶2. (C) PolCouns has been in contact with British Embassy DCM Hugo Shorter throughout the DIO-related events, and received from Shorter on 27 April what we believe is the most detailed accounting of the episode attainable. The key points of Shorter's account follow:

--Shorter said that he was contacted by phone at around 1800 on Monday, 16 April, by an official of the Reed events organizing company who was in Rio preparing for LAAD's official opening on 17 April. The Reed executive was alarmed to find an Iranian DIO stand preparing to open at LAAD, a violation of UNSCR 1747. Shorter was clear in saying that this alert from the Reed man in Rio was the first information the British Government had received on Iranian participation in LAAD.

--Shorter immediately contacted the Brazilian Ministry for External Relations (MRE) about the development. MRE Assistant Secretary for International Organizations (and new UN Permrep-designate) MariaLuiza Viotti called Shorter back

around 2000 in the evening and stated: (1) the MRE had been unaware of the Iranian presence at LAAD, (2) Brazil's Ministry of Defense had been informed that evening by MRE and the Brazilian Chief of Defense Staff had indicated the Iranian stand would be shut down.

--On the morning of 17 April, Shorter was contacted by Reed and told Reed directors had ordered the immediate closing of the Iranian stand. Shorter said it was his understanding that Reed had taken the action based on corporate decisions and contact from the Brazilian Defense Ministry. (Note: We have heard similar accounts from the French and Israeli ambassadors here, though they indicate a more passive MRE role vis-a-vis Reed in ordering the closing of the DIO stand. End note.) Shorter said the British Embassy Defense attache was at LAAD and reported that some DIO models and brochures remained out on the floor when the show opened at 1000 am, but the DIO stand had its electricity shut off and "CLOSED" signs posted on it before noon, and was clearly out of commission shortly thereafter.

--During the day on April 17 Shorter spoke twice with Maria Narazeth Farani, Chief of Staff to Foreign Minister Amorim. He asked whether the MRE had protested the issue to the Iranian Government or taken any additional action. Farani told Shorter adamantly that the GOB had fulfilled its obligations under the UNSCR by contacting its Defense Ministry and the event organizer to order the closing of the DIO stand. Shorter subsequently learned from MRE senior contacts that Brazil's ambassador in Tehran had been called in by the GOI to hear its official protest at being invited to an event and then being shut down, but the GOB Ambassador

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had noted that any invitation had been issued well before UNSCR 1747 and the GOI must have been aware of the resolution's ramification. Iran's ambassador in Brasilia also met with MRE officials to lodge a protest. Both diplomatic actions were at the Iranians' initiative, not the GOB's, Shorter noted.

--In a follow-up meeting on 27 April with Santiago Mourao, the director of the MRE's Directorate for Arms Control and Sensitive Technology, Shorter asked whether the GOB had taken or would pursue any action on seizures of DIO assets. Mourao said Brazil's Central Bank financial crimes investigations unit (COAF) had not located any DIO financial assets in Brazil. With regard to the models and brochures at the DIO stand in Rio, Mourao said these were regarded as financially inconsequential by the GOB, and had not been seized. Mourao said the GOB may forward a report on the assets to the UN sanctions committee.

--Mourao stoutly defended GOB responses in the case, saying the GOB had worked to shut down the DIO stand as soon as it was aware of its presence at LAAD. He said the Iranians should be held responsible for the event, but also noted the GOB had no indication the GOI had deliberately staged the event to provoke or embarrass Brazil. The GOB's positions on Iran's nuclear program are well-known and documented at the IAEA and the UN, and Iran could have been under no illusion that the GOB would not honor UNSC requirements, Mourao said.

--In sum, Shorter said the foreign ministry clearly had not blocked the closing of the DIO stand, though its actions in coordinating the closure perhaps could have been more direct and proactive, and it has taken no action on asset seizures.

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